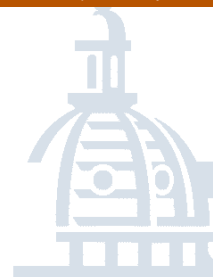




FISCAL UPDATE

Fiscal Services Division

November 2, 2009



OCTOBER REVENUE ESTIMATING CONFERENCE

REC Meeting. The Revenue Estimating Conference (REC) met on October 7, 2009, and decreased the estimated FY 2010 General Fund receipts by \$414.9 million compared to the March REC estimate (increased by \$97.0 million for post-REC law changes).

REC Estimate Changes for FY 2010. The October REC estimate for FY 2010 net General Fund receipts, including transfers, is \$5,438.0 million, a decrease of \$496.0 million (- 8.4%) compared to actual FY 2009. Major changes from the March REC estimate include:

- A decrease of \$103.3 million in gross income tax receipts. Job losses, low interest rates, and the poor performance of equity markets, a result of the recession, will continue to lead to decreasing income tax receipts. The new estimate represents a decrease of 3.7% compared to FY 2009 gross income tax receipts. As of October 21, gross income tax receipts had decreased \$41.5 million (- 4.7%).
- A decrease of \$ 142.7 million in gross sales/use tax receipts compared to the March REC estimate. Sales of goods and services is expected to continue to decline with increasing unemployment. The new estimate represents a decrease of 3.1% compared to FY 2009 gross sales/use tax receipts. Gross sales/use tax receipts decreased \$3.6 million (- 0.6%) as of October 21.
- A decrease of \$78.0 million in gross corporate tax receipts compared to the March REC estimate. The new estimate is a decrease of \$100.3 million (- 24.1%) compared to FY 2009. As of October 21, 2009, gross corporate tax receipts had decreased \$20.6 million (- 18.2%).
- An increase in tax refunds of \$70.3 million. Tax refunds reduce total net General Fund receipts and the increase in tax refunds will reduce net General Fund revenues. Total FY 2010 tax refunds are estimated to reduce net tax revenues by \$87.4 million compared to the FY 2009 amount.

Initial Estimate for FY 2011. The REC also established the initial revenue estimate for FY 2011. The estimate was set at \$5,416.3 million, a decrease of \$21.7 million (- 0.4%) compared to the October REC estimate for FY 2010. The post recessionary economy is estimated to produce relatively stagnant growth in gross personal income tax (- 0.6%) and sales/use tax (1.1%) and negative growth for corporate tax (- 11.0%) in FY 2011.

REC Comparisons. The following table provides a summary of the past two fiscal years and the current REC estimates for FY 2010 and FY 2011. A more detailed spreadsheet of the REC estimates is available on the LSA web site at: <http://www.legis.state.ia.us/Fiscal/qre/>.

IN THIS ISSUE

REC, page 1	Dept of Corrections Audit Report, page 8
Governor Orders 10.0% ATB, page 2	Keokuk County Investigation, page 8
Impact of ATB on School Aid, page 3	Dept of Corrections Closes Living Units, page 9
Medicaid Forecast, page 4	Drug Court Grant, page 9
Appropriation Transfer Notices, page 6	Board of Corrections Meeting, page 9
ARRA Waiver Authority, page 7	Statewide Interoperable Com Bd Meeting, page 10
Telephonic Meeting – HHS Approps Sub, page 7	Recent Publications, page 10
Homeland Security One-time Grant, page 8	Meetings Monitored, page 11

Revenue Estimating Conference Projection

	Dollars in Millions			
	Actual FY 2008	Actual FY 2009	Estimated FY 2010	Estimated FY 2011
Income Tax	\$3,359.7	\$3,330.7	\$3,208.0	\$3,188.3
Sales/Use Tax	2,000.2	2,327.4	2,255.1	2,279.3
Corporate Tax	483.8	416.5	316.2	281.4
Insurance Tax	111.7	90.0	88.6	88.6
Cigarette Tax	229.5	215.8	213.6	212.3
Other Taxes	152.7	149.2	141.5	146.7
Total Taxes	\$6,337.6	\$6,529.6	\$6,223.0	\$6,196.6
Other Receipts	380.7	391.9	370.4	372.0
Gross Tax & Other Receipts	\$6,718.3	\$6,921.5	\$6,593.4	\$6,568.6
Accruals (Net)	-24.0	17.2	-26.4	-3.0
Refund (Accrual Basis)	-674.8	-803.9	-891.3	-830.0
Schl. Infrs. Refunds (Accrual)	0.0	-385.8	-379.0	-383.5
Total Net Receipts	\$6,019.5	\$5,749.0	\$5,296.7	\$5,352.1
Transfers (Accrual Basis)	64.9	185.0	141.3	64.2
Net Receipts Plus Transfers	\$6,084.4	\$5,934.0	\$5,438.0	\$5,416.3
Year-over-year Incr./Decr.	\$438.1	\$-150.4	\$-496.0	\$-21.7

Next Meeting. The next REC meeting will be held in December 2009, but the exact date has not been determined.

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GOVERNOR ORDERS 10.0% ACROSS-THE-BOARD REDUCTION

Executive Order. In response to the Revenue Estimating Council's reduction in the revenue estimate for FY 2010, Governor Culver issued Executive Order 19 on October 8, 2009, implementing a 10.0% reduction to all FY 2010 General Fund appropriations. The total reduction is \$564.4 million.

	Actual FY 2009	Estimated FY 2010	ATB Reduction FY 2010	Est Net FY 2010
	(1)	(2)	(3)	(4)
Administration and Regulation	\$ 483,046,566	\$ 67,791,216	\$ -6,811,974	\$ 60,979,242
Agriculture and Natural Resources	51,498,897	40,316,680	-4,058,588	36,258,092
Economic Development	48,213,307	45,540,734	-4,900,112	40,640,622
Education	1,271,326,576	906,873,760	-91,005,256	815,868,504
Health and Human Services	1,172,553,570	1,254,110,218	-131,607,235	1,122,502,983
Justice System	689,619,262	677,547,990	-51,775,018	625,772,972
Transportation, Infrastructure, and Capitals	0	1,500,000	-150,000	1,350,000
Unassigned Standings	2,628,458,707	2,774,584,450	-274,137,435	2,500,447,015
Grand Total	\$ 6,344,716,886	\$ 5,768,265,048	\$ -564,445,618	\$ 5,203,819,430

Implementation Proposals. The Governor also directed all affected departments and agencies to submit proposals to implement the reduction in funding. The proposals were submitted October 22, 2009. The Governor approved all but two of these on October 28, 2009. The Governor is also proposing to back-fill approximately \$9.2 million of the reductions from the savings resulting from requiring seven furlough days for non-contract employees and through fund transfer authority. The proposals for the Departments of Corrections and Public Safety were delayed pending further review. The LSA will be reviewing the finalized plans and will provide more information as it becomes available.

Legislative and Judicial Branches. The General Assembly (Legislative Branch) and the Judicial Branch are not subject to the Governor's Executive Order, but have voluntarily agreed to reduce their budgets by 10.0%. This amounts to a reduction of \$3.3 million for the General Assembly and \$16.0 for the Judicial Branch.

More Information. Executive Order 19: http://publications.iowa.gov/8554/1/Executive_Order_No19.pdf. Also, for more detail and a historical look at across-the-board reduction orders, see the following Fiscal Topic: http://www.legis.state.ia.us/Isadocs/Fiscal_Topics/2010/FTDLR001.PDF

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FY 2010 SCHOOL AID: IMPACT OF THE ACROSS-THE-BOARD REDUCTION

Across-the-Board Reduction. On October 8, 2009, Executive Order #19 was implemented reducing State General Fund expenditures by 10.0% for FY 2009. The reduction to State aid to school districts totaled \$238.5 million. The across-the-board reduction to school districts totaled \$227.2 million and the reduction to Area Education Agencies totaled \$11.3 million.

Appropriation Cap. In addition to the across-the-board reduction to State school aid implemented through Executive Order #19, the FY 2010 State aid appropriation was capped at \$2,587.5 million, \$31.7 million less than the amount needed to fully fund the appropriation amount. The school district portion of the shortfall totaled \$30.3 million and the AEA portion totaled \$1.4 million. The following table provides information on the FY 2010 State aid reductions to school districts and AEAs.

Action	Total Reduction to School Districts	School District Per Pupil Reduction Amount	Total Reduction to AEAs	AEA Per Pupil Reduction Amount	Total Reduction
FY 2010 State Aid Appropriation Cap - Shortfall Amount	\$30,340,377	\$ 54.86	\$ 1,354,846	\$ 2.49	\$ 31,695,223
FY 2010 10.0% General Fund ATB Reduction	227,177,436	410.80	11,317,886	20.84	238,495,322

Spending Authority. The overall FY 2010 State school aid reduction to school districts totals \$257.5 million. Despite the State aid reduction, school districts retain the spending authority on the \$257.5 million. Districts may replace lost State aid by using cash on hand or borrowing funds. Based on the most current data available (Department of Education's Certified Annual Report (CAR) FY 2008 ending fund balances), 226 (62.6%) of the 361 school districts are estimated to have cash-on-hand (unreserved or undesignated ending fund balances) that are larger than the State aid reduction amount. The AEAs do not maintain spending authority and the total State aid reduction amounts to a \$12.7 million budget reduction for FY 2010.

FY 2011 State Aid Impact. The reduction to the FY 2010 State school aid amount also has an impact on the FY 2011 State school aid increase. Although the State aid reductions were made on a per pupil basis, the FY 2010 State and district costs per pupil did not change. The current law estimate for FY 2011 State school aid totals \$2,689.1 million, an increase of \$542.7 million compared to the estimated net FY 2010 State school aid amount. The following table provides a breakdown of the estimated changes for FY 2011. When comparing the impact on State school aid, the "Total Adjusted State School Aid" line item provides the impact on the State aid portion of school aid. Included in the \$542.7 million increase:

- An increase of \$20.2 million for preschool formula funding including the addition of new school districts eligible to receive funding beginning in FY 2011.
- An increase of \$6.5 million for the State categorical supplements based on a 2.0% allowable growth rate for FY 2011.
- An increase of \$43.3 million for regular State school aid based on a 2.0% allowable growth rate for FY 2011.
- An increase of \$31.7 million to backfill the State school aid shortfall due to the State school aid appropriation cap.
- An increase of \$238.5 million to backfill the 10.0% across-the-board reduction.

- An increase of \$202.5 million to backfill American Recovery and Reinvestment Act (ARRA) Education Stabilization funding used in lieu of State school aid in FY 2010.

School Aid Estimates
(Dollars in Millions)

School Aid Funding Category	FY 2009	Estimated FY 2010	Current Law Est. FY 2011	Est. FY 2011 vs. Est. FY 2010
Preschool Formula Funding	\$ 17.1	\$ 33.3	\$ 53.5	\$ 20.2
State Categorical Supplement Formula Funding	NA	309.0	315.5	6.5
Regular School Aid	2,207.4	2,276.9	2,320.1	43.3
State Aid Shortfall Due to Appropriation Cap	NA	-31.7	0.0	31.7
Across-the-Board Reduction Amount	-33.4	-238.5	0.0	238.5
State Aid Reduction for ARRA Ed. Stab. Funding	-40.0	-202.5	0.0	202.5
Total Adjusted State School Aid	\$ 2,151.1	\$ 2,146.5	\$ 2,689.1	\$ 542.7
ARRA Education Stabilization Funding	40.0	202.5	0.0	-202.5
Total State School Aid w/ARRA	\$ 2,191.1	\$ 2,349.0	\$ 2,689.1	\$ 340.1

Additional Information. See the recently published *Issue Review* titled "School Aid Funding for FY 2010 and FY 2011" at: <http://www.legis.state.ia.us/Isadocs/IssReview/2010/IRSLS002.PDF>

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MEDICAID FORECAST FOR FY 2010 AND FY 2011

Forecasting Group. Staff members from the Department of Management, the Department of Human Services (DHS), and the Fiscal Services Division of the LSA met on October 23, 2009, to discuss estimated Medical Assistance (Medicaid) expenditures for FY 2009 and FY 2010. The forecasting group meets monthly to discuss estimated expenditures and to agree on a range for the current and upcoming fiscal years.

FY 2009. The Medicaid Program ended FY 2009 with a surplus of \$36.6 million. The surplus will be carried forward and used to fund the Program in FY 2010. The large carryforward was due to the change in the Federal Medicaid Assistance Percentage (FMAP) rate from the federal American Reinvestment and Recovery Act (ARRA) of 2009. In total, the Program saved \$114.0 million due to the enhanced federal share. Program enrollment increased sharply in FY 2009 with an increase of 32,173 individuals (8.0%) for the fiscal year.

FY 2010 Stimulus. For FY 2010, the ARRA provides the same 6.2% FMAP increase in all 12 months and is estimated to offset the amount of State Medicaid funds needed by \$145.1 million. The ARRA also provides for additional FMAP increases based on state unemployment rates.

FY 2010 Unemployment. On June 19, 2009, the Bureau of Labor Statistics released the latest unemployment rates that showed Iowa's rate jumped from 5.1% in April of 2009 to 5.8% in May and 6.2% in June. This increase brings Iowa's three-month average above 5.2% and qualifies the State for an additional FMAP increase under the ARRA. The FMAP increase is estimated to offset the amount of State Medicaid funds needed by an additional \$40.0 million in FY 2010.

Tier Two Unemployment. To qualify for tier two of the Medicaid FMAP enhancement, Iowa's unemployment rate needs to have a three-month average of 6.2%. In August, Iowa qualified with a three-month average of 6.5%. The FMAP increase is estimated to offset the amount of State Medicaid funds needed by an additional \$17.5 million in FY 2010.

FY 2010. House File 811 (FY 2010 Health and Human Services Appropriations Act) included total State funding of \$854.6 million for Medicaid for FY 2010. Other funding sources included \$8.6 million from HF 820 (FY 2010 Federal Funds Appropriations Act) to annualize hospital rebasing, continued coverage for children, and interpreter services for Medicaid. Senate File 478 (FY 2010 Standing Appropriations Act) provided an additional \$4.3 million to increase funds for disproportionate share hospital payments. The

State appropriations from all funding sources for Medicaid for FY 2010 total \$867.5 million. This is an increase of \$35.0 million compared to estimated net FY 2009. Significant program changes include:

- An increase of \$2.4 million to cover additional eligible children.
- An increase of \$1.8 million to annualize the hospital rebase.
- An increase of \$6.0 million to rebase nursing facilities.
- An increase of \$237,000 for interpreter services.
- An increase of \$103,000 for a 5.0% provider rate increase for Family Planning Providers.
- A decrease of \$500,000 to eliminate funding for the Iowa Health Care Collaborative.
- An increase of \$4.3 million to increase payments to disproportionate share hospitals.

Senior Living Trust Fund. Due to decreased State revenues in FY 2009, the State will not have sufficient funds to transfer \$39.1 million to the Senior Living Trust Fund for FY 2010 as originally estimated. House File 811 appropriates the balance of the Fund to the Medicaid Program. The balance available for FY 2010 is \$17.7 million.

FY 2010 Across-Board-Reduction. On October 8, 2009, the Governor announced a 10.0% across-the-board (ATB) reduction for all General Fund appropriations and the Health Care Trust Fund. This reduction amounted to \$83.7 million for the Medicaid Program. With the ATB reduction, the new funding total for the Medicaid Program for FY 2010 is \$781.0 million.

FY 2010 Range. For FY 2010, the forecasting group agreed to a range of no change (zero need) to a supplemental need of \$34.0 million with a midpoint of \$17.0 million supplemental need. The range includes the 6.2% ARRA FMAP adjustment and both tier one and two unemployment FMAP increases. The budget reduction plans submitted to the Governor by the Department were not included in this estimate.

FY 2011. For FY 2011, the forecasting group agreed Medicaid will have a supplemental need of \$220.0 to \$290.0 million with a midpoint of \$255.0 million compared to FY 2010 after the 10.0% ATB reduction and adding back codified appropriations, for a total of \$730.8 million. The range includes the 6.2% FMAP increase, but not tier one or two of the FMAP unemployment increase. The State must re-qualify to receive the FMAP increases related to unemployment rates. If the State does qualify for the additional FMAP increase, it would decrease the estimated need by approximately \$30.0 million.

Enrollment Increase. Medicaid continues to see rapid enrollment growth. In FY 2009, the program added a total of 31,794 individuals, including 25,935 children. In the first four months of FY 2010, the program added an additional 11,141 individuals for total program enrollment of 356,533.

Medicaid Enrollment Increases/(Decreases) for FY 2010					
FY 2010	Children	Adults	Aged	Disabled	Total
July	1,427	211	38	32	1,708
August	2,829	1,295	126	443	4,693
September	1,180	546	(6)	208	1,928
October	1,539	977	32	264	2,812
Total	6,975	3,029	190	947	11,141

APPROPRIATION TRANSFER NOTICES

Department of Workforce Development (IWD) to the Department of Management (DOM)

Transfer Notice. Notice to transfer \$250,000 from to the IWD Field Offices to the DOM.

Explanation. The transfer is requested for an additional contract payment of \$300,000 to Public Works LLC for a Performance/Efficiency Review of State government. The additional \$50,000 cost of the study will be paid for from funds within the DOM. The transfer amount represents 2.1% of the original estimated FY 2010 appropriation for Field Offices, before required reductions.

Final Action: Final action on this transfer was scheduled for October 19, 2009.

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Department of Inspections and Appeals (DIA)

Transfer Notice. Notice was received to transfer \$136,869 from the Health Facilities Division to the Administration Division.

Explanation. This is a one-time transfer to cover legal fees associated with an attempt by the Ponca Tribe of Nebraska to build a casino in western Iowa on land they had acquired. The DIA can only use funds for Indian Gaming to regulate current activity, thus funding could not be used in this case. Rather than reverting excess funds from the Health Facilities Division at the end of FY 2009 to the General Fund, the Department of Management (DOM) authorized a transfer to the Administration Division for legal fees related to the case. A federal judge ruled in 2008 that a casino could not be built by the Tribe.

Final Action: Final action on this transfer was scheduled for September 23, 2009.

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Department of Cultural Affairs (DCA)

Transfer Notice. Notice was received to transfer \$60,000 to the Historical Division from the Iowa Great Places initiative within the DCA.

Explanation. The transfer is requested to replace General Fund reductions. The original estimated FY 2010 funding from the General Fund for the Historical Division was reduced by SF 469 (FY 2010 Economic Development Appropriations Act) by \$247,000 (6.5%) compared to estimated FY 2009. The current FY 2010 revised Department budget anticipates all revenue sources for the Iowa Great Places initiative will exceed expenditures by approximately \$84,000. The transfer amount represents 34.2% of the estimated FY 2010 appropriation for Great Places.

Final Action: Final action on this transfer was scheduled for October 19, 2009.

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Department of Public Defense

Transfer Notice. Notice was received to transfer \$488,700 in Rebuild Iowa Infrastructure Fund (RIIF) appropriations to the Facilities Improvement Fund of the Military Division of the Department of Public Defense (DPD).

Explanation. The transfer will allow the DPD to leverage \$1.2 million in federal funds for Camp Dodge infrastructure-related projects. The transfer includes appropriations for the Camp Dodge electrical system upgrade (\$275,000) and the Camp Dodge water system upgrade (\$213,700). The electrical system upgrade has been completed. The water system upgrade has been deferred because federal matching funds will not be available until FY 2011.

Final Action: Final action on this transfer was scheduled for October 19, 2009.

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ARRA WAIVER AUTHORITY

Waiver Authority Granted. The Iowa Department of Education received approval from the U.S. Department of Education to grant waivers for the American Recovery and Reinvestment Act (ARRA) Title I, Part A Program. The waivers include:

- Statutory and regulatory requirements related to socioeconomic status and public school choice.
- Requirements of a school district's obligation to spend at least 20.0% of the FY 2009, Title I, Part A, Subpart 2 allocation on transportation for public school choice and socioeconomic status.
- The responsibility of a school in need of improvement to spend 10.0% of Title I, Part A funds on professional development.
- The responsibility of a school in need of improvement to spend 10.0% of the FY 2009, Title I, Part A, Subpart 2 allocation on professional development.
- The responsibility of a school district to calculate the per pupil amount for socioeconomic status based on the FY 2009 Title I, Part A, Subpart 2 allocation.
- The prohibition on the State Department's ability to grant school district waivers of the carryover limitation more than once every three years.

Applications and Additional Information. School districts can apply directly to the Iowa Department of Education for the waivers. Additional information is available at:

http://www.iowa.gov/educate/index.php?option=com_content&view=article&id=1731&Itemid=2552

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TELEPHONIC MEETING HEALTH AND HUMAN SERVICES APPROPRIATIONS SUBCOMMITTEE

Telephonic Meeting. The Health and Human Services Subcommittee held a telephone conference meeting on October 6, 2009. The Chairpersons of the Subcommittee are Senator Jack Hatch and Representative Lisa Heddens

Background. The Chairpersons of the State Government Reorganization Commission, Senator Staci Appel and Rep. Mary Mascher, requested that members of the joint appropriations subcommittees meet or otherwise engage in a process to consider whether there is duplication among the boards and commissions under the purview of the subcommittee and to consider other opportunities available for achieving potential costs savings or promoting efficiency. The Health and Human Services Subcommittee held a telephone conference meeting.

Boards and Commission. Jess Benson, LSA, reviewed a listing of 71 statutorily-authorized boards and commissions in the following four departments addressed by the subcommittee: 52 at Department of Public Health (DPH), 17 at Department of Human Services (DHS), and one each for the Department on Aging and the Department of Veterans Affairs. Many of the boards are funded through fees retained from regulated professions and others through State or federal funding, or both. The Subcommittee Chairpersons proposed classifying each board as either a policy or advocacy board for purposes of considering whether the functions of the advocacy boards could be incorporated into a related policy board and the advocacy board eliminated.

Updates. Updates were provided on reform efforts underway.

MHI Task Force. Former State Representative Ro Foege explained the process undertaken by the task force that is considering the potential effects of closing one of the four State mental health institutes (MHIs) and consolidating those services among the remaining MHIs.

Department of Public Health (DPH). Kathy Stone, Division Administrator, explained the department's process to improve efficiencies among the units that address addictions - substance abuse, gambling, and tobacco. The areas of focus are training and workforce development, surveys and external evaluations, working with service contractors, and data systems and other infrastructure.

Department of Human Services (DHS). Director Charles Krogmeier described an internal review underway to restructure DHS that is tentatively scheduled to be presented to the Council on Human Services in November. In addition, he noted that a staff group is working on a comprehensive mental health plan. The DHS is also staffing the MHI task force and participating in the workgroup on mental health and developmental disabilities facilitated by legislative staff.

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HOMELAND SECURITY AND EMERGENCY MANAGEMENT DIVISION RECEIVES ONE-TIME GRANT AWARD

Grant Notice. The Homeland Security and Emergency Management Division of the Department of Public Defense received notice September 30 that it will receive a one-time grant award of \$1.3 million. The grant is from the U.S. Departments of Transportation and Commerce. The grant will be used to start the process of migrating to an Internet-Protocol (IP) 911 network.

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FY 2008 AUDIT REPORT – DEPARTMENT OF CORRECTIONS INSTITUTIONS

Audit Report. The LSA received the FY 2008 State Auditor's combined report for Institutions under the control of the Department of Corrections.

Program Operation Concern. The North Central Correctional Facility at Rockwell City was providing offenders for labor at local grain elevators under the authority granted in Section 904.809, Code of Iowa. This Section governs private sector employment of inmates. The program is operated under the purview of Iowa Prison Industries. The audit found that the Institution was operating the program rather than Iowa Prison Industries, certain conditions had not been met, and no deposits were made to the General Fund. The Institution has discontinued the program. Receipts were held in an account and not deposited to the General Fund due to a coding error. That error has been corrected. There was a one-time deposit of \$279,000 to the General Fund in FY 2009.

More Information. View the audit report at: <http://auditor.iowa.gov/index.html>

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STATE AUDITOR'S REPORT SPECIAL INVESTIGATION OF THE KEOKUK COUNTY SHERIFF'S OFFICE

Keokuk County Investigation. The State Auditor conducted a special investigation of the Keokuk County Sheriff's Office at the request of the Sheriff. The report is for the period July 1, 2006, through April 15, 2009. The following items were noted relating to the previous Sheriff's administration:

- Detailed records for forfeited and seized property could not be located. This includes records for weapons, controlled substances, and other property. It was not possible to determine what was missing, potentially converted to personal use, or perhaps simply undocumented.
- Receipts and disbursement of collections from inmates for room and board were not properly recorded. Written policies and procedures were not in place. It was not possible to determine if State law was being followed or if receipts to the County Treasurer were adequate.
- A "slush fund" existed without proper documentation as to how it was funded, what proper expenses were, and what the fund balance should be. It appeared that payments to deputies for working special events were deposited in the "slush fund" rather than used to offset the costs of their salaries.
- Capital assets were not properly recorded or reported to the County Auditor. This includes computers, radio equipment, and a thermal imaging camera.

- Operating expenditures were not properly documented for items such as food, fuel, and maintenance costs.

Audit Report. The State Auditor's Office made several recommendations for improving internal control procedures. Additionally, copies of the report have been filed with the Office of the Attorney General, the County Attorney's Office, and the Department of Public Safety, Division of Criminal Investigation. A copy of the report is available on the State Auditor's website at: <http://auditor.iowa.gov/index.html>

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DEPARTMENT OF CORRECTIONS CLOSES LIVING UNITS

Living Units Closed. Effective August 2009, the Department of Corrections (DOC) closed the following living units to reduce staffing and overtime costs.

- Anamosa – Living units A and D.
- Clarinda – South Unit 4.

The DOC also closed M Unit at Oakdale for security renovations.

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DRUG COURT GRANT FOR DUBUQUE AND DELAWARE COUNTIES

Grant Awarded. The First Community-Based Corrections (CBC) District Department received a grant award of \$350,000 to sustain the Drug Court Programs in Dubuque and Delaware counties. The 24-month grant award will fund one Parole/Probation Officer position and maintain existing services. The original FY 2010 appropriation to the First CBC District Department included \$360,000 for Drug Court Programs in Dubuque and Delaware counties. Those funds were eliminated with the Governor's 10.0% across-the-board reduction in October 2009.

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OCTOBER BOARD OF CORRECTIONS MEETING

Board Meeting. The Board of Corrections met October 2 at the Luster Heights Prison Camp. Mr. John Fayram, Warden of the Anamosa State Penitentiary, welcomed the Board to the Camp, and explained that the operating budget for the Camp is included in the appropriation to the prison. The current population is 68 offenders; 35 were violators and 33 were inmates. The Camp provides substance abuse treatment, anger management, and education programs to the offenders, as well as work crews to local non profit entities.

Director's Report. Department of Corrections Director Baldwin updated the Board on the prison construction projects. The schematic design for the new penitentiary at Fort Madison has been approved. The construction budget for Mitchellville is being reviewed. The Department received \$50,000 through the Attorney General's Office from a consumer fraud settlement. The funds are being used to contract with the Iowa Pharmacy Association to study centralized pharmacy options.

Inmate Teachers. The Department is exploring the idea of using inmates who are former teachers to teach inmates. There are 18 inmates with PhD's and several with advanced degrees. Inmates lose teacher certification upon conviction.

Commutation Applications. The Board discussed the commutation of inmates serving life sentences, or lifers. Few life sentences are commuted to a term of years and therefore, those inmates affected are not eligible for parole. Under current law, a lifer can submit a commutation application at any time, including the first day of entry to the prison system. However, Section 902.2, Code of Iowa, requires lifers to wait 10 years between applications for commutation of sentence. The Board approved a motion to recommend to the General Assembly that statutory language be amended to require lifers to serve the first 10 years of their sentence prior to submitting an application for commutation and that subsequent applications be allowed every five years.

Agenda. The agenda and meeting minute are available at:
<http://www.doc.state.ia.us/BoardofCorrections.asp>

Next Meeting. The next Board meeting is scheduled for November 6 at the Iowa Prison Industries show room at 1445 East Grand Avenue in Des Moines.

STAFF CONTACT: Beth Lenstra (515-281-6301) beth.lenstra@legis.state.ia.us

IOWA STATEWIDE INTEROPERABLE COMMUNICATIONS BOARD MEETING

Meeting. The Iowa Statewide Interoperable Communications System Board met September 30 at the Department of Public Safety's (DPS) Headquarters Building. The Board approved a motion to negotiate and enter into a contract with Federal Engineering, Inc. for a Statewide Interoperability Coordinator (SWIC). The contract is the result of a Request For Proposal (RFP) process. The two-year agreement is funded with federal funds of \$285,000.

More Information. View the agenda, minutes, and other items at: <http://isicsb.iowa.gov/index.html>

Future Meetings. The next meeting dates are November 9 and December 16.

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RECENT PUBLICATIONS

The Fiscal Services Division of the LSA has recently published the following:

Fiscal Topics:

[Across-the-Board Reductions](#)

[Shelter Care](#)

[Community College Revenue](#)

[Iowa College Student Aid Commission](#)

[Social Services Emergency Disaster Relief Grant](#)

Issue Review: [School Aid Funding for FY 2010 and FY 2011](#)

MEETINGS MONITORED

Following is a list of meetings recently attended and monitored by Fiscal Services staff. Please contact the staff listed for more information.

Meeting	Date	Staff Contact
Iowa Statewide Interoperable Comm. System Board	9/30/2009	Beth Lenstra (16301)
Board of Corrections	10/02/2009 & 10/22/2009	Beth Lenstra (16301)
Health & Human Services Budget Subcommittee – Reorganization Commission Conference Call	10/6/2009	Deborah Helsen (16764) Jess Benson (14611)
Adult Mental Health and Developmental Disabilities (MH/DD) Stakeholder Task Force	10/7/2009 & 10/21/2009	Jess Benson (14611)
Governor's Mental Health Task Force	10/12/2009 & 10/26/2009	Jess Benson (14611)
Commission on Aging	10/13/2009	Jess Benson (14611)
Rebuild Iowa Office Coordinating Council	10/13/2009	Joe Brandstatter (52062)
hawk-i Board	10/19/2009	Jess Benson (14611)
Legislative Health Care Coverage Commission	10/20/2009	Deborah Helsen (16764) Jess Benson (14611)
Ex-Offender Reentry Coordinating Council Meeting	10/21/2009	Beth Lenstra (16301)
Prescription Medication Usage Study Committee	10/21/2009	Deborah Helsen (16764) Jess Benson (14611)
Veterans Task Force Meeting	10/28/2009	Joe Brandstatter (52062)
Specific Crimes Subcommittee of the Criminal Code Reorganization Study Committee	10/29/2009	Beth Lenstra (16301)

This document can be found on the LSA website: <http://www.legis.state.ia.us/Fiscal/fiscupdt/>